

Budget Compliance Reports – Session Law 2011-145
Clean Water Management Trust Fund
November 16, 2011

I. Background

The 1996 General Assembly created the Clean Water Management Trust Fund (CWMTF) (Chapter 113A Article 18 (GS 113A-251 et seq.)), "to clean up pollution in the State's surface waters and to protect, preserve and conserve those waters that are not yet polluted." The CWMTF "shall be used to help finance projects that specifically address water pollution problems and focus on upgrading surface waters, eliminating pollution, and protecting, preserving, and conserving unpolluted surface waters, including enhancement or development of drinking water supplies" and "to build a network of riparian buffers and greenways for environmental, educational, and recreational benefits. It is lastly the intent of the General Assembly that moneys from the Fund also be used to preserve lands that could be used for water supply reservoirs."

The CWMTF is an independent non-regulatory agency housed for administrative purposes in the Department of Environment and Natural Resources.

II. Program Administration 2008-2012

CWMTF has decreased its administrative budget by nearly \$1 million since the 2008-09 fiscal year. The budget has been reduced 38% from nearly \$2.5 million in 2008-09 to just over \$1.5 million for the current fiscal year. Over this same time period CWMTF has reduced its workforce by 38% which includes a reduction-in-force this year of 4 out of 17 permanent employees (a 24% reduction in permanent FTE's). Also included in the reductions are cost savings to facilities and operations by 65% (reductions to office space lease, motor fleet, state issued cell phones, fewer board meetings, etc.).

During the course of this fiscal year, CWMTF will manage around 300 grant contracts totaling approximately \$100 million.

III. Implementation of 2011 Budget

In the 2011-12 budget the General Assembly repealed the CWMTF's \$100 million statutory appropriation and provided \$11.25 million to be used as:

- \$3,000,000 - administration and debt service;
- \$1,500,000 - the acquisition of property to protect military bases; and
- \$6,750,000 - water infrastructure projects, donated minigrants and the purchase of conservation easements.

CWMTF 2011 Grant Awards

Project Type	Board Approved For Funding	Board Conditional Approval Pending Funds Becoming Available	Total Project Cost	% Matching Funds
Protection of Military Installations	\$2,194,817	\$0	\$4,583,019	52%
Donated Minigrant*	\$253,765	\$0	\$5,055,203	95%
Wastewater Infrastructure	\$5,526,500	\$2,433,221	\$20,338,755	61%
Restoration/Stormwater Infrastructure	\$2,092,811	\$2,423,818	\$12,320,606	63%
Total	\$10,067,893	\$4,857,039	\$42,297,583	65%

* An additional \$496,000 has been allocated for future minigrant awards during the fiscal year.

Overview of CWMTF 2011 Awards:

- Applications for more than \$157,000,000
- Funded less than 10% of the need expressed in applications
- 46 awards made in 26 different counties across the state
- CWMTF funds will leverage an overall 65% in matching funds
- 76% of wastewater awards made to economically distressed communities
- Infrastructure awards focus on projects that are construction ready
- 17 awards will help to protect downstream water supplies serving over 1.8 million people

IV. Summary

CWMTF will continue to steward state dollars in its administration of grants and in funding projects that provide the greatest water quality benefit to the surface waters of the state. Water is a resource that is vital to current economic engines in North Carolina such as agriculture, tourism and recreation. Access to clean water is critical in recruiting new industry. It is important to continue to assist local governments with infrastructure needs and keep our surface water clean for business interests and the people of North Carolina.